

**CALIFORNIA HIGH-SPEED RAIL AUTHORITY
MEETING MINUTES**

**SEPTEMBER 16, 1998
FRESNO CITY HALL - AUDITORIUM
FRESNO, CA**

OPENING REMARKS

Vice Chairman Graveline called the meeting to order and welcomed the public to the meeting. Vice-Chairman Graveline introduced Jim Patterson, Mayor of the City of Fresno. Mayor Patterson welcomed the Authority and stated that this was one of the most significant California opportunities in a long time and Fresno is honored to be chosen for a second time for meetings and hearings. Vice Chairman Graveline thanked the Mayor for his hospitality.

Vice Chairman Graveline stated that due to the absence of two of the Members, the meeting would start with some of the presentation items which do not require action, and the Authority would return to those action items as soon as a quorum is achieved.

EXECUTIVE DIRECTOR REPORT

General Comment - Mr. Morshed publicly acknowledged and thanked Secretary Dean Dunphy and his staff for their generosity and enthusiastic support. Mr. Morshed congratulated Deputy Director Dan Leavitt on his recent marriage and welcomed him back from his honeymoon. Additionally Mr. Morshed welcomed John Barna, formerly Deputy Secretary of Business Transportation and Housing Agency, as the a Deputy Director to the Authority.

Southern California Association of Governments (SCAG) - the Authority has been requested by SCAG to join them in partnership in applying to the Federal Railroad Administration grant to study the Maglev system for a particular corridor. The SCAG staff, Dan Leavitt and Mr. Morshed have had some discussions with them and will continue. The Authority needs to explore the possibility of applying for Federal planning grants for study of Maglev. The Authority's concern is that although it is beneficial for the State, the Authority needs to preserve the integrity of the State's effort in the statewide system planning without prejudicing any particular corridor and technology. Member Epstein stated that when the Authority does have a quorum he would like to move that the Authority ask to be considered for the grant even though it's for Maglev technology, if the Authority does receive the grant we would have the opportunity to look at all of the technologies.

Meeting Schedule - Mr. Morshed presented a list of future meeting dates and locations for review and comment by the Authority. The staff will finalize the schedule for approval at the October meeting. Mr. Morshed suggested that the December 16th meeting be canceled due to the holidays. The October 21st meeting in the Bay Area will be a full-day meeting with a round table discussion with Board Members and key consultants. At the end of the month the staff and consultants will be meeting to coordinate their efforts for the next months.

Mr. Morshed stated that the staff have been having a good dialog with San Francisco International Airport regarding the role of the High Speed Rail. The Director of SFO had an article in the S.F. Chronicle that highlighted the fact that HSR and the Airports are complimentary.

Europe Trip - The staff are in the process of finalizing the itinerary for the Europe trip. The way that it looks now it will be 6-7 days of meetings and travel. Mr. Morshed stated that for the purpose of Open Meeting Laws, any time the Authority is in meetings while in Europe the public is welcome to attend. However, receptions and tours that the host provides the host will determine can be included.

Conflict of Interest Code - The Authority adopted a code and it has been submitted and approved by the FPPC and has been forwarded to Office of Administrative Law (OAL) for review. Once OAL has reviewed the document it is sent to the Secretary of State. Once the Secretary of State has filed the code we have 30 days to file with the FPPC. Once we are notified of the filing we will provide you with the necessary forms.

Member Compensation - In order to formalize the compensation of the members we have prepared a memo for your review and comment. The staff will prepare this memo on a monthly basis and place the approval of compensation as an agenda item. Next month we will update this current list to include dates up to the October meeting for the Authority's approval.

Member Florez requested that Visalia and the Northern San Joaquin Valley be included in the meeting schedule.

PRESENTATION OF CORRIDOR EVALUATION TEAM WORKPLAN

KIP FIELD - PARSONS, BRINKERHOFF, QUADE AND DOUGLAS, INC.

GEORGINA VIVIAN - VALLEY RESEARCH AND PLANNING ASSOCIATES

Mr. Field stated that the scope of work outlined for the study can be categorized into five areas:

1) Review the previous recommendations; 2) Corridor Evaluation; 3) Station Evaluation; 4) Shared Corridors/Facilities; and 5) Technical Support. Member Epstein asked if freight will be considered along this route. Mr. Field stated yes in fact they would be readdress this issue. Member Florez stated that Mr. Field mentioned farmland constraints, are these preservation areas or are they other types of constraints? Mr. Field stated that they are preservation areas but also whether they are unique or prime farmland, as it feeds into issues with those local jurisdiction takes the type of right of way. Member Florez stated that there is very little land in the South San Joaquin Valley that is not protected. How are you going to override the constraint even though it can be amended? Mr. Field replied the Authority will be aware whether it is in a conservation area. Georgina Vivian discussed the urban vs. suburban issues which need to be addressed during the corridor evaluation process. Member Epstein asked Ms. Vivian to elaborate on the joint use. Ms. Vivian stated that this was joint use in terms of increased residential usage and commercial usage and ancillary active use adjacent to the station that will enhance and increase population in the downtown centers. Member Epstein asked Mr. Field if he were planning on going to Europe with the Authority: Mr. Field stated that he was planning on accompanying the Authority on the trip to Europe. Member Florez asked in terms of the assumptions memo how does one get these assumptions urban vs. Suburban station location

what is the overall assumption when addressing this issue given that every city will want a high speed rail station. Mr. Field stated that the Assumption memo addresses basic issues such as unit cost, it lays out an analysis and the types of measures they would use to present to the Authority the information of which one is better and for the Authority to make the decision. Member Florez added that the station location is the explosive issue in the valley, places like Fresno and Bakersfield are planning now through the COG's for regional transportation needs how do you plan on using this information in your study. Mr. Field stated that they will be using the information that the Authority staff gathers during their visits to the local and regional entities, also relying on the information the Public Outreach team gathers from the general public. Member Florez inquired whether they will be asking those municipality and agencies if the cost differentials are extremely high, will you be asking them as well to participate economically and financially in this. Mr. Field stated that he would leave that decision to the Authority as a policy judgment, whether you want to pursue that with them. As we progress in this project there will be obvious roles for partnership and the possibility for financial participation. Mr. Morshed stated that in response to Mr. Florez question in terms of station locations and the corridor evaluation team has one role, in terms of evaluating station location. There are many other factors other consultants are going to bring before the Authority. That includes the cost factor, possible shared use and ultimately this is going to be a combination of a business decision and a political decision that the board has to make on everyone of the station locations. We need to make sure that the station location is consistent with needs of the community and the need of the system, and yet at the same time has to work as a high speed network and has to be financial feasible. Those are the major trade offs that the consultant will provide the Authority with the necessary information that the board will have to make their decisions. Member Epstein stated that the station location is a tremendous task. The location of the stations are going to increase land values immediately in the area both residential and commercial and every facet. Those are the things we are going to have to look at with shared opportunity to give cities and municipality where these stations are located the opportunity to share in that. They are samples in our state where a municipality by eminent domain takes area and with public moneys puts the infra structure in then leases the space on a master plan to people who will come in and use it. Then the municipality is paid from the gross product that the individual comes in and uses. The individual comes in and constructs on the site after the infra structure has been put by the municipality, and pays a percentage of the gross income to the municipality these are things that can be worked out and it very important for you and I'm sure you will be doing that. This is something we should gain support for from unions that are going to be constructing all the facilities the opportunity here are just fantastic for our economy and our state, not only in the building of a transportation system that we so sorely need for the next 50 years, but also the opportunity economically. Member Fowler commented that given the limited time and budget of the Authority we may need to look at, not just a decision but a process, a process that would guarantee the community that they would have appropriate involvement in the ultimate decision process even though it would have to fall at some later time. Possibly following the election in 2000. It Seems to me that we are trying to crowd too many decision in relatively short period of time. It may not give the community an adequate involvement. Vice Chairman Graveline stated that organizations from the area have already conducted a study for the station locations. There has been a great deal of work done, specifically here in Fresno. Member Bates added that BART, in the Bay Area, is doing similar study evaluating their corridors in terms of making changes in the future, do you

intend to talk to them? Mr. Field replied that they intend on talk with BART about the work they have done. Member Florez asked if the Authority were going to solidify the station locations prior to going on the ballot or is this part of the buy on process from the public outreach team. Mr. Morshed stated that it is very important that you keep in mind that you need to keep your options open in terms how much of the difficult decision you can make between now and the year 2000. And how much of it can you wait until after you have your financing in order. Included in those questions are for example do you need to have the exact location or should you wait until you have financing. It's more than just what the community and others want it's actually some legal issues as well you can not actually settle on a specific route or specific station without going through a complete environmental process. We are not going to run a complete environmental study, so in order for the project to be viable, basically we are doing a project study to report to the legislature and the voters which contains a general description, many of the details, by nature need to be left out. Part of this Authority's decision over this period of time is how much of those decisions can you make, how much are we prepared to make, and how many of them do you have enough information to make, before you go to the voters. Some of those decisions include the technology, whether or not you will have actually decided on the technology before you go to the voters, or if that's a decision that needs to wait until a completion of an environmental study. All of these are open questions and part of the process as we come before you and have more of round table discussions these are the kinds of questions we all need to think about, use the resources of are financial consultants, make though decisions and go forward . At this time I think all of those are clearly open and we need to pay attention to them. It is very difficult to predict what the level of detail we are going to put to the voters. The bottom line is whatever we present to the legislature and the voter has to be solid, has to be credible, at the same time it should not go into more detail than we are capable of producing. Member Florez comment that the Authority should have some resolution on the stations. The goal is to see how much cost share we can provide in this project, it makes a difference whether or not you are in a redevelopment or outside in the suburban part of the counties, not many counties have eminent domain redevelopment powers as cities do, and if there is a way to clear land make it readily available for the stations. I think that has to be put into the financial plan which ultimately will size the bond measure. The Authority should head in direction of defining station locations, it has to be part of the mix as we finalize the financial plan. Looking at what types of cost shares are available is going to make a difference in more than a couple of million dollars. Mr. Morshed concurred that if the Authority feels that is what should be included in the plan we will do it. I would caution the Authority that we have to do so without running a foul of Federal and State environmental law, having made a decision prior to completing the environmental process. That is something we need to cognizant of when making station location decisions. Member Stapleton stated that if we do not involve the cities and the communities you are not going to have any voters. Get the voters involved, get the stations lined out let the voters know what they are voting for. Mr. Morshed stated that he fully agrees in-fact we have a full contingent of consultants and others that their job is precisely that. Everyone of our consultant teams key element is that the work needs to be in conjunction with the communities that the system will serve, it's not going to be outside of that. Member Fowler commented that it seems that it depends on the community, in the case of Fresno and Bakersfield obviously, those communities have begun discussing the alternative siting for stations how ever their are other communities that will hear this probably for the first time. The point I am trying to make is that a process for station location selection should be in place. Member Epstein stated

that we have to involve everybody in this process, we are asking people to tax themselves, they want to be represented, they want to know what is in it for them, what is in it for their area. In Los Angeles when you mention rail people are really turned off because of the problems with the Metro Rail System, which should not be confused with the with Metro Link System which is a non surface system doing extremely well. Our task here is to educate the people, we must educate people to the fact that we have 33 million people and we are going up to 52 million people in 20 years and that time passes fast and we must find an alternative route something other besides our love affair with individual automobile.

August 19th - Meeting Minute Approval

Member Florez moved to approve the August 19th meeting minutes. Member Fowler seconded and the minutes were unanimously approved.

Approval of the Comprehensive Statewide Passenger Rail Plan WorkPlan

Vice Chairman Graveline stated Arthur Bauer and Associates, Inc. presented the workplan for the Comprehensive Statewide Passenger Rail Plan in San Diego on August 19. The Vice-Chairman asked for comment from the members and the public regarding the workplan. Seeing none he cited the following resolution.

- **Resolution 9-1:** Approve the workplan for the Authority's Comprehensive Statewide Passenger Rail Plan.

Member Stapleton moved to approve the workplan. Member Epstein seconded the motion and the motion was unanimously approved.

Vice Chairman Graveline asked Member Epstein if he would like to make a motion regarding the Authority Federal grant funds. Member Epstein motioned the Authority to direct the Executive Director and staff to prepare an application for the Federal Railroad Administration (FRA) planning grant without committing to any specific technology and consistent with this Authority's statewide work. Member Florez seconded the motion and the motion was unanimously approved.

PRESENTATION OF PUBLIC OUTREACH TEAM

TOWNSEND, RAIMUNDO, BESLER & USHER

Mr. Besler and Ms. Deutschman updated the Authority on the research and the public outreach element. Currently the Outreach team has been conducting focus groups. Three focus groups have been conducted in Northern California, to date, the preliminary findings show that people understand hazily the concept of high speed rail, they have no idea how fast high speed rail is, however they do support the idea. There is a general consensus that the system needs to integrate with other modes of transportation. Additionally the focus groups have shown interest in private participation. The focus groups see this mode of transportation as a non-polluting system, which is a very important issue. The focus groups we have conducted have illustrated the link between their communities and the Bay Area which is an important element. Mr. Besler discussed the status of the outreach efforts, the development of the brochure, the web page, and media kits. Member Florez asked during your focus groups has there been any preference as to urban vs. suburban station locations. Mr. Besler stated that this is an issue that needs to be put

before two groups, the planners in the region and the public. Member Florez asked if intermodal transportation questions have been posed to the focus groups. Mr. Besler stated that there is a realization that there is a transportation issue that needs to be addressed, however it is an incomplete realization. High speed rail has the potential of defining what transportation is. In order for high speed rail to work it has to be understood to be truly merging with the rest of the system.

COMMENTS FROM SENATOR JIM COSTA

Senator Costa welcomed the Authority to the Central Valley. He stated the high speed rail effort is the most important element in the long term infrastructure needs for the State of California. Transportation as well as education and the States water needs are elements that need to be focused on. If we are truly going to support 50 million people in the year 2020 and beyond we have to invest in our future, high speed rail is one of those key areas of investment. This investment is one the most important decisions Californians are going to make early on in the 21st century. The development of the high speed rail can provide many significant benefits; including economic stimulation, better growth management, improved quality of life resulting from increased transportation efficiency as well as decreased air pollution. If the Authority is successful in their effort it would have that same economic and social impact that the State water project had in the 1960's. The vision and the boldness it took in 1960 for the Governor, the Legislature and the public to make that kind of investment in the future. At that time the total cost of the project was \$2.6 billion. Along with Senator Quentin Kopp they initiated the High Speed Ground Transportation Commission in 1994 to determine the feasibility of high speed rail projects in California. The Commission was charged with three goals: 1) determine the appropriate placement of a rail corridor, 2) discover what technologies would be most appropriate for California, 3) determining if this project was financially feasible. In December of 1996 the Commission released the final report which revealed that high speed rail in California is financially feasible in California and would have a positive impact. Because of the positive aspects of the report both he and Senator Kopp and enacted Legislation that created the High Speed Rail Act which established the High Speed Rail Authority. Senator Costa stated that when the work product is complete and has been presented to the legislature and the Governor it would be beneficial for the State to be in good economic condition. It is absolutely critical that the next Governor of California play an role in developing and supporting this project. This a \$20 billion public/private endeavor that will need not only substantial financial capital but will also need political capital to ensure its success. We are looking to the Authority to produce a plan that is financially sound, well thought out and can be brought to the voters of California for their approval. In the next twelve months as the Authority develops the time line the plan will be critical if the Authority is to continue on the timeline of the year 2000. We may decide in twelve months from now that it is unrealistic based upon the next administration and other factors, to meet the year 2000 deadline, it is premature to make that decision now, and we should stick with the current timeline. To assist in keeping the Authority on track try to avoid those that might try to micromanage your process. Additionally be clear on the public/private partnership; the costs involved, the commitments required, and the timelines that must be developed. We need to be up front with the voters, we need to cite past history as to how you financially develop a sound package that not only has the private involvement but the public involvement and how the two are intertwined. Senator Costa stated that it would be advisable that the Chair along with the Executive Director regularly meet and confer with the next administration and the Chairs of the

respective transportation committees, on a quarterly basis meet when the transportation committees are meeting in the legislature, and ask for some time to give a presentation to report to the committee on your progress. As the Authority develops and proposes the plan to the legislature that they allow some flexibility in the plan so the Governor and the Legislature can look at some modifications they want to make. In closing he stated that he believes that high speed rail in California will be part of our future and we will be successful. Senator Costa offered his support and assistance with the project. Vice Chairman Graveline thanked Senator Costa for his support.

HIRING OF SUBCONTRACTOR FOR PUBLIC OUTREACH

Mr. Morshed stated for the record that on this next item the Authority is going to be discussing he has not had any discussions on this matter with any the consultant teams, staff, or members of the Authority, other than for procedural purposes. Mr. Morshed at this time excused himself from the meeting. Vice-Chairman Graveline stated that this is not an action item. He stated that the item relates to a proposed subcontract in connection with the public outreach program between the Authority's contractor TRB&U and Morshed & Associates. The contract between TRB&U and the Authority does not require the full Authority to consider TRB&U selection of subcontractors at the meetings. The contract states that TRB&U's subcontractors are approved by the contract manager, John Barna, approval of the subcontractors by the contract manager is consistent with the state contracting procedures. We raise this matter on the proposed contract between TRB&U and Morshed & Associates because the principal of Morshed & Associates is married to Mehdi Morshed. Consistent with California law Mr. Morshed has disqualified himself from any involvement with the Authority's consideration of the subcontract between TRB&U and Morshed & Associates. Mr. Morshed has not and will not participate in any discussions and negotiations or other activities related to the decision to enter into the subcontract. Mr. Morshed has submitted in writing that he has determined that he has a financial interest in the subcontract and has disqualified himself from making any decision relating to the subcontractor relating to the Authority. Do the members have any questions or comments? Member Fowler stated that it would be appropriate for TRB&U provide some background and explanation of the subconsultants role in the overall process and an approximate percentage of total budget that would be involved. Mr. Besler stated that Linda Morshed is one of a hand full of highly qualified transportation consultants in the State. The nature of her business requires her to work with government agencies both at the State and local level. Ms. Morshed has worked with most of the agencies and COG's throughout the State. Morshed & Associates will be approximately 6 to 7 percent of the overall budget, which is considerably less than the other subcontracts. Member Epstein stated that he had the pleasure of working with Ms. Morshed for six years while he was a member of CTC, she is the best person in the state for this project, it is just a coincidence that she is married to our Executive Director. Member Bates stated that as a member of the personnel committee that he had read her resume and he was extremely impressed with her qualifications and fully supports TRB&U hiring Morshed & Associates. Vice-Chairman Graveline stated that this is not an action item however he would entertain a motion to ratify the hiring of Morshed & Associates. Member Stapleton so moved and Member Bates seconded and the motion was unanimously approved.

CALIFORNIA'S CONVENTIONAL INTERCITY PASSENGER RAIL PROGRAM UPDATE
WARREN WEBER - CALTRANS & GIL MALLERY - AMTRAK

Warren Weber discussed the background of how the State got involved in the intercity passenger rail service, and he presented the details of the three corridors in operation. Mr. Weber's presentation is available upon request. Mr. Mallery discussed the ridership growth nationally and the impact it has had on Amtrak. Mr. Mallery expressed the support of Amtrak for the efforts of the Authority. Mr. Mallery's presentation is available upon request.

PRESENTATION FROM LOCAL/REGIONAL AGENCIES

Supervisor Arrambula welcomed the Authority to Fresno and discussed the past work of the Commission and stated the position of the Board of Supervisors.

Mayor Jim Patterson welcomed the Authority again and presented the Authority with a resolution supporting the proposal for a high speed rail line for the State of California.

City Manager Jeff Reid welcomed the Authority to Fresno. Mr. Reid discussed the possibility of not using existing rail corridor but to provide this community with an opportunity to develop a new corridor.

Eric Johnson - Fresno Chamber of Commerce

Mr. Johnson welcomed the Authority and reaffirmed the position of high speed rail in the central valley and in particular Fresno.

Art Fargus welcomed the Authority to Fresno and stated that the high speed rail would be of great economic benefit to the community.

Barbara Goodwin - Fresno Council of Governments

Ms. Goodwin welcomed the Authority to Fresno and discussed the current position of the Fresno COG on high speed rail. She stated that they support the 99 Corridor and advocating a downtown Fresno station location.

Gary Dixon Stanislaus Area Association of Governments

Mr. Dixon stated his organizations support of the 99 corridor and the Altamont Pass route.

Jim Harbottle - Visalia City Council

Mr. Harbottle welcomed the Authority and invited them to meet in the City of Visalia. He mentioned that Visalia area should not be forgotten by this project.

Gayle MacIntyre - Board of Supervisors, Madera County

Ms. MacIntyre welcomed the Authority and stated that the County of Madera supports the high speed rail project and the 99 corridor and the Antelope Valley route.

James Larson - Tulare Association of Governments

Mr. Larson welcomed the Authority and reiterated the thoughts of Jim Harbottle.

Ellen Moy stated her support for high speed rail in the Central Valley.

Art Lloyd - San Joaquin Valley Rail Committee

Mr. Lloyd stated his organizations support of the high speed rail project.

GENERAL PUBLIC COMMENT

Joe Hammond

Mr. Hammond expressed his support of high speed rail in the Central Valley.

Benjamin Raya

Mr. Raya asked the Authority what will the benefits be to citizens of Fresno.

Sigfred Makelfled

Mr. Makelfled stated that the Authority should closely look at the Maglev system in Germany.

Larry Miller

Mr. Miller stated that as a citizen of Fresno he is concerned about the differential between conventional rail and high speed rail.